

To: Little Hoover Commission
From: Matthew E. Webb, Chairman of Boating and Waterways Commission
RE: State Government Reorganization Proposal
Date: April 16, 2012

Dear Chairman, Vice Chairman, and Commissioners,

Thank you for the opportunity to provide input on the proposal to reorganize state government as it relates to the Department of Boating and Waterways and the Boating and Waterways Commission. My understanding is that the reorganization proposal, if enacted, would make Boating and Waterways a division of the Department of Parks and Recreation and would eliminate the Boating and Waterways Commission.

My primary occupation is as a civil engineer. After receiving B.S. and M.S. Degrees from Stanford University in civil engineering in the early 1980s, I joined the firm of Albert A. Webb Associates. I currently serve as President/CEO and am a part owner of the firm, which employs 130 people. I have served on the Boating and Waterways Commission since 2010 and am currently its chairman.

Organization Position on the Reorganization Proposal

The Boating and Waterways Commission has not taken a position on the reorganization proposal, and the following represents my own thoughts as a citizen, businessman, Commissioner, and boater.

Background on Department and Commission

The Boating and Waterways Department and Commission operate at no cost to the state general fund. They are 100% supported by special funds, primarily fees and taxes on boating. The Department and Commission enjoy broad support from boaters, who appreciate the direct link between fees and taxes they are paying and services received.

The Commission has responsibility for giving final approval to certain loans and grants for boating facilities and for advising the Department on all matters. Commission meetings provide transparency into the funding process and act as a "check and balance" to make sure funds are expended for appropriate boating facilities.

Loans are made to public and private marinas which have the ability to repay the state by renting slips to boaters. These loans represent an asset to the state, providing an ongoing stream of payments to the Harbors and Watercraft Revolving Fund. Grants are made for things such as launch ramps and restrooms, which benefit boaters but do not provide revenue (above that needed to maintain the facilities) to the operating entities.

Commission meetings give stakeholders a forum to provide input to the Department on issues of concern. From time to time, the Commission holds workshops and facilitates additional meetings to enable the public to provide input on Department policies and procedures. Input provided during these workshops and meetings has resulted in changes to Department procedures (most recently to the Abandoned Watercraft Abatement Fund grant approval process) which have improved state programs. Both the Department and Commission are extremely focused on issues of concern to boaters.

Advantages and Risks of Reorganization Proposal

The reorganization proposal can best be evaluated in the context of the desired outcome. If the goal is to defund boating activities, break the link between boater fees and taxes and boating infrastructure, and ultimately divert those fees and taxes into other state priorities, then eliminating the Commission and separate Department makes sense.

On the other hand, if the goal is to maintain the link between revenues and services, provide transparency, and give stakeholders a means to provide input to the Department, then the Commission and separate Department should be retained.

Under the current structure, Department staff and the Commission are very focused on making sure that departmental expenditures reflect a true benefit to the boating public. Grant and loan requests for facilities only tangentially related (or completely unrelated) to boating are not funded. This approach preserves the boating community's confidence in the Department and the support of those being taxed or paying fees.

Although costs for the Commission and Department are 100% special funded, and primarily funded by boater fees and taxes, it could be argued that the reorganization proposal might save a small amount of money by elimination of Commission meetings and perhaps an administrative position. However, any savings would almost certainly be wiped out if the Parks and Recreation Commission and/or Department staff attempted to find an alternative forum (additional Commission meetings, stakeholder meetings, etc.) to enable the boating community to provide ongoing input as they do today. In any case, it is doubtful whether the Parks and Recreation Commission, with its broad responsibilities, could possibly maintain the interest in and focus on boating that currently exists within the Boating and Waterways Commission.

Changes in Effectiveness and Efficiency of State Operations Resulting from Reorganization Proposal

The reorganization proposal would make state government less effective in serving the needs of boaters. Eliminating Commission meetings might seem efficient, but an alternative mechanism would presumably be needed for facilitating stakeholder input. Any minor improvements in efficiency would come at the expense of transparency, stakeholder input, and boaters' confidence in the program.

The reorganization proposal only makes sense in the context of ultimately diverting boater fees and taxes into non-boating activities. Defunding the marina loan program by diverting those funds into ongoing state expenditures would erode the asset base of the state, since future loan repayments which currently support the Harbors and Watercraft Revolving Fund would be eliminated. Such an approach seems short-sighted. Defunding grants for launch ramps and restrooms would reduce access to our waterways and would have a disproportionate impact on those boaters who don't live directly adjacent to waterfront areas and must trailer vessels. Often these are our least affluent boaters.

For the reasons set forth above, I do not recommend implementation of the reorganization proposal as it relates to the Boating and Waterways Department and Commission, now or in the future. Furthermore, even if there were a desire to proceed with this proposal, now would be an extremely poor time to implement such a reorganization. For several years, the Department of Parks and Recreation has been struggling with a large number of major and difficult issues, resulting in internal challenges, which are of a completely different nature than those faced by the Department of Boating and Waterways. From a business standpoint, it would be illogical to implement a reorganization placing the Department of Boating and Waterways (which has been operating relatively successfully and with broad public support) under the umbrella of Parks and Recreation.

In conclusion, while the reorganization proposal is no doubt a well-intentioned effort to make state government more effective and efficient, I recommend that the Department of Boating and Waterways be maintained as a separate department and that the Commission be retained.

Thank you again for the opportunity to comment.

Sincerely,

Matthew E. Webb
Chairman, Boating and Waterways Commission